

Article - Education

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§26–601.

(a) In this subtitle the following words have the meanings indicated.

(b) “Consumer reporting agency” has the meaning stated in § 14–1201 of the Commercial Law Article.

(c) “Nonconforming payment” means a payment made by a student loan borrower that is more or less than the required payment for a student education loan account.

(d) “Servicing” means:

(1) (i) Receiving any scheduled periodic payments from a student loan borrower or notification of the payments; and

(ii) Applying the payments to a student loan borrower’s account according to the terms of a student education loan or a contract governing the services;

(2) During a period when no payment is required on a student education loan:

(i) Maintaining account records for the student education loan; and

(ii) Communicating with the student loan borrower regarding the student education loan on behalf of the holder of the student education loan; or

(3) Interacting with a student loan borrower, including interactions to help prevent default on obligations arising from a student education loan, to facilitate the activities described in item (1) or (2) of this subsection.

(e) (1) “Student education loan” means any loan that is:

(i) Made, insured, or guaranteed under Title IV of the Higher Education Act of 1965, as amended; or

(ii) Regardless of whether the loan is provided through the educational institution that the student loan borrower attends or directly to the

student loan borrower from the lender, extended to an individual with the express expectation that the funds extended will be used in whole or in part to pay expenses that are included as part of the cost of attendance of a student as defined in 20 U.S.C. § 1087.

(2) “Student education loan” includes a loan that is extended in order to refinance or consolidate a consumer’s existing student education loans.

(3) “Student education loan” does not include, regardless of the purpose for the loan, a loan:

(i) Under an open–end credit plan as defined in 12 C.F.R. § 1026.2; or

(ii) That is secured by real property.

(f) “Student loan borrower” means a resident of the State who:

(1) Has received or agreed to pay a student education loan; or

(2) Shares repayment responsibility with a resident described in item (1) of this subsection.

(g) (1) “Student loan servicer” means a person, regardless of location, responsible for servicing a student education loan to a student loan borrower.

(2) “Student loan servicer” includes a trust entity performing or having the authority to control student loan servicing.

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